



PRESTON  
STRATEGY  
GROUP

AL2018-009

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Feb 28 2024

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

FILED: [shpda.online@shpda.alabama.gov](mailto:shpda.online@shpda.alabama.gov)

February 28, 2024

Ms. Emily T. Marsal  
Executive Director  
State Health Planning and Development Agency  
100 North Union Street, Suite 870  
Montgomery, AL 36104

RE: Project Modification Request  
CON 2825-SCALF-EXT  
River Region ALF, LLC

Dear Ms. Marsal:

In accordance with Certificate of Need (CON) Rules and Regulations, **410-1-10-.03 Project Modification After Issuance of Certificate of Need**, River Region ALF, LLC respectfully submits the following information in application of a Project Modification to CON 2825-SCALF-EXT:

The above referenced CON was issued on June 5, 2018, for thirty-two (32) specialty care assisted living facility (SCALF) beds as part of a senior living community in Montgomery County. On June 5, 2019, CON 2825-SCALF-EXT was issued necessitated by delays in securing the land purchase agreement. The firm commitment on the project was established on June 5, 2020, through the execution of a construction contract and the final-stage plans and specifications were approved by the Alabama Department of Public Health (ADPH) Technical Services on December 15, 2020. The project property was acquired in November 2021.

The project proceeded, although slowed by supply chain issues as reported in CON Progress Reports. Unfortunately, the global pandemic not only impacted the availability of materials but caused unprecedented escalation in construction costs. As a result, pursuant to CON Rules and Regulations, **410-1-10-.03 Project Modification After Issuance of Certificate of Need**, a "change in project" has occurred:



	<u>Original CON Project Costs</u>	<u>Updated Project Costs</u>
Site Development	\$ 409,144	\$ 511,430
Construction	\$3,381,920	\$4,649,169
Interest	\$ 50,924	\$ 63,655
Debt Cost	\$ 81,983	\$ 102,479
Equipment	\$ 234,771	\$ 293,464
	All other cost estimates remain the same	
Total Project Cost	\$5,846,045	\$7,307,500

River Region ALF, LLC remains committed to this project and meeting the need for Alzheimer's and other dementia related residents in Montgomery County and the surrounding area. No changes to the original scope and facility program design are being considered at this time. Updated financing has been secured and a management contract with Premier Senior Living, a nationally known operator of senior living communities, has been executed.

The Project Modification application filing fee of \$7,946 has been submitted electronically through the SHPDA payment portal. Please let me know if you need any additional information in order to approve this request.

Sincerely,

Stephen D. Preston



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Mar 05 2024

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

FILED: [shpda.online@shpda.alabama.gov](mailto:shpda.online@shpda.alabama.gov)

March 5, 2024

Ms. Emily T. Marsal  
Executive Director  
State Health Planning and Development Agency  
100 North Union Street, Suite 870  
Montgomery, AL 36104

RE: Project Modification Request  
CON 2825-SCALF-EXT  
River Region ALF, LLC

Dear Ms. Marsal:

Please accept this correspondence providing supplemental information regarding the Project Modification application submitted February 28, 2024, on behalf of River Region ALF, LLC, CON 2825-SCALF-EXT.

**Breakdown of costs by major category:**

	<u>Original CON Project Costs</u>	<u>Updated Project Costs</u>
Total Construction	\$4,597,876	\$6,000,638
Total Equipment	\$ 258,248	\$ 316,941
First Yr Op Exp	\$ 989,921	\$ 989,921
 Total Project Cost	 \$5,846,045	 \$7,307,500

If you need any additional information, please contact me.

Sincerely,

Stephen D. Preston